

# GERMANY DECLARES WAR ON RUSSIA; FRANCE MOBILIZES; ENGLAND MAY DECIDE TO-DAY TO SUPPORT HER ALLIES; ITALY TO REMAIN NEUTRAL; MAY DESERT TRIPLE ALLIANCE

## INCREASE GRANTED IN FREIGHT RATES TO ADD \$10,000,000 AT LEAST TO RAILROAD REVENUE

Only Roads Between Pittsburg and  
Mississippi Gain, Others Are  
Told That They Must  
Economize.

## COMMISSION FINDS NO CAUSE FOR ALARM, POINTING TO BIG PROFITS

Decision Recommends Readjustment of Pas-  
senger Fares, Bringing Them Up to Bear  
Their Share of Operating Cost.

WASHINGTON, Aug. 1.—The long  
awaited decision in the advance rate  
case by the Interstate Commerce  
Commission gives the railroads in the ter-  
ritory west of Pittsburg and east of the  
Mississippi River an increase which, it  
is estimated, will yield between \$10,000,000  
and \$15,000,000 additional revenue  
each year. No increases are granted to  
the Eastern roads, including those in  
New England, but several of the big  
Eastern systems will benefit by their  
ownership of lines in the Central Asso-  
ciation territory.

For all of the railroads involved the  
commission points the way to economies  
and the stoppage of leaks which, in the  
end, it believes will yield the railroads  
much more than the \$50,000,000 addi-  
tional revenue they sought to raise  
through the general increase of 5 per  
cent. in freight rates.

The majority opinion was signed by  
Commissioners Clements, Clark, Meyer,  
Hall and Chairman Harlan. Commis-  
sioners McChord and Daniels dissented,  
contending that the advances ought to  
have been apportioned also to railroads  
in the Eastern territory.

While the commission's decision, so  
far as its immediate effect is concerned,  
will be disappointing to the railroads,  
there are features which railroad offi-  
cers acknowledge open the way for a  
somewhat brighter future.

**Rate Reform Urged.**

In fact the most important feature of  
the report is an invitation which the  
commission extends to the railroads of  
Central Association territory to enter  
upon a complete readjustment of  
all their rates and to file new tariff  
lists with the commission. The com-  
mission indicates that in the framing  
of these new general tariffs an increase  
of more than 5 per cent. would be war-  
ranted in many cases and that there  
would be ground for making substantial  
increases on most rates.

If the invitation is accepted the read-  
justment of tariffs in that territory,  
which have long been a sore spot in  
railroading revenues, would result in  
adding substantially to the revenues of  
several of the big Eastern carriers who  
own lines in that territory; for instance,  
the New York Central, Pennsylvania,  
Baltimore and Ohio, the Erie and the  
Chesapeake and Ohio.

Under the decision to-day all rail-  
roads operating east of the Mississippi  
river to the Pittsburg-Buffalo-Wheel-  
ing line and north of the Potomac and  
Ohio rivers will have the option of  
underwriting this big general readjust-  
ment of rates or filing schedules ac-  
cepting the full 5 per cent. increase  
with certain limitations.

**Look for Further Relief.**

The fact is that the commission plainly  
intimates to the roads west of Pitts-  
burg that they are entitled to more even  
than the full 5 per cent., but the com-  
mission's hands were tied under the pre-  
sent precedents in going beyond the  
amount asked for. It is this feature of  
the report which leads many railroad  
men to believe that eventually they will  
see some substantial relief from the com-  
mission that was originally asked.

The increases granted for Central As-  
sociation territory include both class and  
commodity rates, the full 5 per cent.,  
with the exception of coal, iron, coke,  
copper, brick, the clay, starch and  
pottery. These excepted commodities, of  
course, include a large part of the ton-  
nage of these roads. The commission  
holds that the roads did not sustain their  
share of profit in reference to the ad-  
vances on these items.

In the case of the Eastern trunk lines  
and the railroads in New England the  
commission holds that they failed to sus-  
tain the reasonableness of the proposed  
5 per cent. advances. The commission  
finds that the financial condition of these  
roads does not warrant a general in-  
crease. The commission held that the  
roads of the New England lines are being  
dragged down by debt.

The commission itself in its 35,000 word  
decision gives no definite estimate of the  
total amount of the revenues that will be

added to the railroads through the actual  
increases granted, but it was learned that  
the commission hopes the increases will  
yield between \$10,000,000 and \$15,000,000.

The commission suggests to the Eastern  
and other railroads a long list of means  
of increasing their net revenues. These  
suggestions include a general readjust-  
ment of unremunerative passenger rates.  
The commission clearly indicated its  
opinion that freight traffic was bearing a  
greater burden relatively of the operating  
expenses than it should bear and steps  
were recommended with a view to  
bringing up passenger rates to their  
proper level. The commission urged con-  
ferences by the railroads with the State  
commissions in an effort to this end,  
especially in States where the railroads  
contend they are losing heavily through  
two cent passenger laws. The commis-  
sion expressed the opinion that the people  
of the country will cheerfully ac-  
quiesce when convinced of the unreason-  
ableness of passenger charges.

The commission also urges the rail-  
roads of the East to move at once for  
advances on freight rates which are  
known to be unremunerative, such as  
those that have been lowered for special  
purposes of competition.

**Would Stop Free Service.**

The commission recommends the cutting  
off of free services and all free allow-  
ances; the restricting of the issuing of  
passes and many other economies.

It makes the far reaching recom-  
mendation that all properties acquired by  
the carriers which are not held for trans-  
portation purposes be sold. The aggre-  
gate of such investments now held by  
railroads is more than \$648,000,000, of  
which more than \$182,000,000 yielded no  
net income in 1913.

Careful scrutiny of sleeping car con-  
tracts and the purchase of materials and  
equipment from companies in which rail-  
road directors are interested also is  
recommended.

Under to-day's decision the slate is  
wiped clean so far as pending tariffs  
are concerned, and the railroads will  
have to file new tariffs in accordance  
with the commission's findings. This  
cannot be done before October and it  
is doubtful if the railroads will actually  
be receiving the increases much before  
January 1.

The commission denies that there is any  
crisis confronting the railroads of the  
country at the present time, but acknowl-  
edges that they have been suffering from  
the business depression in the last year.

The commission points out that a state-  
ment of the net revenues of the railroads  
in the Eastern district for 1914 will prove  
to be substantially below those of 1913.  
The figures for eleven months show that  
the decrease was about \$68,000,000, and  
that the main factor in this loss was a  
loss of nearly \$45,000,000 in gross oper-  
ating revenues, due to recession of busi-  
ness.

The commission finds that "the year end-  
ing June 30, 1914, also seems to have  
been an abnormal one in railroading."  
It explains that the railroads in ask-  
ing for an increase of rates have not  
based their claim for higher rates on  
hard times, but on increased expenses.

**1914 a Lean Year.**

The year 1914, the commission finds,  
must be regarded as a lean year, due  
to the general business depression, and  
insists that the large part of the loss in  
net operating income and gross operating  
revenue fell upon the coal roads, again  
reflecting the business depression.

In closing the commission accuses the  
propaganda of publicity which, it  
charges, was carried on with the idea of  
securing "an early approval of the pro-  
posed increase in rates." It continues:

"The law did not confer on us the  
power of aiding general prosperity or of  
introducing new economic policies  
through railroad rates, but the propa-  
ganda proceeded as if the commission  
had the legislative power in that form to  
stimulate business activity and promote  
the public welfare. There appears to  
have been a set purpose to convince us  
that the people were of one mind re-  
garding the very important questions in-  
volved in the case, and that, in order to  
satisfy every public requirement, there  
remained nothing for the commission to  
do but register this consensus of opinion

## ITALY NEUTRAL BUT PREPARED

Official Decision Sent to Ger-  
man Ambassador—Fleet  
at Post.

500,000 MEN UNDER ARMS

Italian Hate for Austria  
Causes Breach in Triple  
Alliance.

Special Cable Despatches to THE SUN.  
ROME, Aug. 1.—Official notification of  
Italy's decision to remain neutral was  
given to the German Ambassador in  
Rome to-night.

The following reasons are given for  
this decision:

1. The terms of the Triple Alliance  
do not permit one of the nations con-  
cerned to involve the others in a war  
without reaching an agreement with the  
other two.

2. This principle was reaffirmed in  
regard to the Balkans, and Austria  
failed to advise Italy of the nature of  
the demands on Serbia.

3. The Triple Alliance is solely for  
defensive purposes and the preservation  
of territorial integrity.

4. Not having been advised of the  
Austro-Serbian situation Italy was un-  
able to take the necessary steps to pro-  
tect certain vital interests which would  
be placed in immediate danger were she  
to go to war. For this reason Italy not  
only has the right but is in the im-  
perative necessity of remaining neutral.

King Victor Emmanuel returned to  
Rome this evening from San Rossore.

Approximately 500,000 men are under  
arms in Italy, including those that can  
be withdrawn from Tripoli. One hun-  
dred thousand reservists had been called  
to the colors just before Austria's at-  
tack upon Serbia.

The Italian fleet is assembled at its  
various stations and the fortifications  
along the east coast have been put in  
readiness for action.

**What Will Italy Do?**

LONDON, Aug. 1.—Since the present  
European situation reached the critical  
stage the question has naturally arisen,  
as it has always arisen in critical  
times, "What will Italy do as a member  
of the Triple Alliance?"

Italy's hatred of Austria is too well  
known to be insisted upon at this time.  
An Italian diplomatist, passing through  
London two days ago, said to the cor-  
respondent of THE SUN:

"One of the chief services of the  
Triple Alliance toward European peace  
has been in preventing Italy and Aus-  
tria from going to war."

It is obvious to any one who studies  
the map of Europe that there is good  
reason for Italy, when it comes to a  
test, to refuse to fight for the aggran-  
dizement of Austria-Hungary in the Bal-  
can peninsula.

To begin with, Italy has a large army  
in Tripoli, which is exposed to the risk  
of being cut off if Italy fights on behalf  
of the Triple Alliance, but more serious  
than all is the internal situation in  
Italy. The recent railroad strike was  
more revolutionary than industrial and  
many experts on the European labor  
situation say that for the Italian Gov-  
ernment to enter into another war  
would simply mean the beginning of a  
revolution against the monarchy.

The question remains, "How can  
Italy refuse to fight in the circum-  
stances?" She realizes more than any  
of the Powers concerned that war would  
be disastrous. There is only one way,  
that Italy denounce the alliance with  
Germany and Austria-Hungary and  
proclaim her neutrality.

**Not a Defensive War.**

Indications that Italy will try this  
method of escape from the dilemma are  
seen in the semi-official announcement  
in the *Messaggero* that "as it is not a  
question of a defensive war Italy will  
confine herself to pointing out that her  
obligations under the treaty do not  
oblige her in the present circumstances  
to take up arms and that she will there-  
fore remain neutral, although it is not  
certain that this neutrality will endure  
to the end of the war."

"Italy," the *Messaggero* adds, "will hold  
aloof only as long as she is assured that  
her interests are not infringed."  
In the notification given by the  
French Minister to Belgium to the  
Belgian Foreign Minister this after-  
noon that France would respect the  
neutrality of Belgium in the event of  
war, the French Minister added that if  
Belgian neutrality were violated by any  
other Power France would be obliged  
to take the necessary measures to pro-  
tect herself.

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ough tour to Asheville and other Western  
North Carolina points \$10.00, round-trip,  
good to return until Aug. 22, 1914. Informa-  
tion N. Y. Office, 344 Fifth Ave.—Ad.

## FIRST SHOTS IN RUSSO-GERMAN WAR EXCHANGED NEAR PROSTKEN

Special Cable Despatch to THE SUN.  
BERLIN, Aug. 1.—A Russian frontier patrol ex-  
changed shots with a German patrol to-night near Prost-  
ken at a distance of 300 yards on the German side of the  
frontier.  
There were no casualties.

## WAR NEWS TOLD IN BRIEF

GERMANY.—Germany declared war on Russia at 7:30 o'clock  
last night, following Russia's refusal to stop mobilizing in  
compliance with Germany's ultimatum. Berlin  
despatches say that France's action in ordering  
the mobilization of her army forced the Kaiser's hand. The  
German Ambassador at Paris is turning over the German  
Embassy to the United States Ambassador, Myron T. Her-  
rick.

FRANCE.—The Central News correspondent in Paris re-  
ports that Germany declared war on France last night. A  
general mobilization of the French army already had been  
ordered for to-day by President Poincare. The mobiliza-  
tion order calls for the reserves of all terms since 1887.  
Officials of the French War Office say the mobilization will  
be completed at midnight to-night. This report has not  
yet been confirmed and another report received in London  
from Paris, to which more credit is given, says that the  
period of Germany's ultimatum to France has been ex-  
tended by agreement between the Ambassadors for  
another forty-eight hours, bringing it up to Monday noon.

RUSSIA.—The German Ambassador and the Embassy staff left  
St. Petersburg for Berlin immediately after handing the  
declaration of war to the Foreign Minister. The enrolment  
of the reservists of the Russian army began at 6 o'clock  
yesterday morning amid scenes of great excitement and  
pathos. Throngs of women and children accompanied the  
men to the enrolling stations and priests blessed the troops  
as they marched through the streets singing hymns.

GREAT BRITAIN.—There is no confirmation yet of an early  
report that Great Britain, through her Ambassador at  
Paris, had notified President Poincare of Great Britain's  
support of France in any course she may take. The matter  
will be decided at a meeting of the Cabinet to-day. Both  
army and navy, however, are on a war footing. The Bank  
of England has raised its discount rate to 10 per cent. Con-  
tinental banks have also increased their rates materially.  
Bank of England notes are being refused at the largest  
London hotels and restaurants.

ITALY.—The German Ambassador was notified that Italy  
would remain neutral, though perhaps not until the end of  
the war. Five hundred thousand men are under arms and  
the fleet has assumed a defensive position. Italy's neu-  
trality may mean her withdrawal from the Triple Alliance  
in the threatened test of strength with the Triple Entente.  
WASHINGTON.—Congress is expected to enact measures to-  
morrow to protect overseas commerce and to provide emer-  
gency currency. The State Department has received  
recommendations from the American Ambassadors at Ber-  
lin and Paris to send ships for the transportation of Amer-  
ican tourists back home.

## 320,000 GERMAN TROOPS NOW MASSSED ON FRENCH BORDER

Special Cable Despatch to THE SUN.  
LONDON, Aug. 2 (Sunday).—The Sec-  
retary of the French embassy here  
said at midnight:

"The German Ambassador to France  
is still in Paris. France will do all in  
her power until the last moment to  
preserve peace. If there is a Franco-  
German war it will be an attack by  
Germany on us that will cause it. We  
shall not provoke it, but we are abso-  
lutely ready to answer it."

"Germany has been secretly mobiliz-  
ing for a week, though there has been  
no general mobilization."  
"She has placed eight army corps  
(320,000 men) on the Alsace-Lorraine  
frontier, so it is entirely in self-defense  
that we are mobilizing to-day."  
"At the present moment France looks  
to England."

## EVENING SUN EXTRA TO-DAY

A special edition of THE EVENING SUN will  
be issued this afternoon, giving complete news of  
the day's developments in the European war crisis.

| THE SUN TO-DAY                        |   |
|---------------------------------------|---|
| CONSISTS OF SIX SECTIONS, AS FOLLOWS: |   |
|                                       | Pages   |
| FIRST                                 | —General News..... 14   |
| SECOND                                | —Sporting, Automobiles, Kennels..... 8  |
| THIRD                                 | —Foreign, Special Features, Fashions, Drama,<br>Books, Queries, Schools..... 14 |
| FOURTH                                | —Pictorial Magazine..... 16   |
| FIFTH                                 | —Resorts..... 8   |
| SIXTH                                 | —Real Estate, Financial, Gardens, Poultry, Prob-<br>lems..... 8                 |
| Total                                 | 68  |

Readers or newsdealers who do not receive all of these sections  
will confer a favor on "The Sun" by notifying the Publication De-  
partment at once by the phone (2200 Beekman) and the missing sec-  
tions will be promptly forwarded, if possible.

## KAISER'S 18 HOUR ULTIMATUM TO FRANCE EXPIRES TO-DAY; RUSSIA IS READY TO FIGHT

France Issues Order for General  
Mobilization, Which, It Is  
Expected, Will Be Com-  
pleted To-night.

## ENGLAND PREPARING LAND AND SEA FORCES; WILL ACT TO-DAY

Sensational Climax to Day's Events Follows  
Vain Efforts on Part of Triple Entente  
to Avoid Hostilities.

Special Cable Despatch to THE SUN.  
ST. PETERSBURG, Aug. 1.—The German Ambassador  
handed the declaration of war to the Foreign Minister at 7:30  
o'clock this evening. The Embassy staff left for Berlin im-  
mediately. The enrolment of the reservists of the Russian  
army began at 6 this morning. It is being conducted at the vari-  
ous police stations in accordance with the notice posted at street  
corners yesterday.

Throngs of women and children accompanied their hus-  
bands, sons and fathers to the enrolling centres and affecting  
scenes were repeated constantly all over the city and all over  
the empire. Priests mingled with the crowds at the stations,  
blessing the reservists as they marched away singing hymns.

All means of communication are in the hands of the Gov-  
ernment and only such messages are allowed to pass out as are  
approved by the Government.

Despatches from Moscow say that the municipal council  
there has voted a million rubles (\$500,000) for the Red Cross  
of Russia and her allies.

## GERMANY ORDERS WAR ON FRANCE, IS A LONDON RUMOR

Special Cable Despatch to THE SUN.  
LONDON, Aug. 1.—A Central News despatch received  
late this evening announces that Germany has declared war  
on France. The German ultimatum to France was to expire  
at 6 o'clock this evening. A later report says the time limit  
of the German ultimatum has been extended for forty-eight  
hours, or until noon on Monday.

PARIS, Aug. 2 (Sunday).—The French  
Government issued yesterday an order  
for the general mobilization of the army  
to take effect to-day.

A joint proclamation was issued late  
in the afternoon bearing the signatures  
of President Poincare and the Ministry  
regarding the mobilization, in which  
they cautioned the people of France  
that "mobilization is not war."

Under the decree the mobilization is  
to be completed at 11:59 o'clock to-  
night.

The order calls out every class of  
reserves since 1887, including practically  
every man under 50 years of age. It  
means that war is regarded as certain.

After hearing that Germany had de-  
clared war on Russia, the Cabinet met  
and was still sitting at 2 o'clock this  
morning.

It is reported here, but yet uncon-  
firmed, that Georges Clemenceau has  
joined the Cabinet, and that Theophile  
Delcasse becomes War Minister. It will  
be recalled that the Kaiser forced the  
resignation of M. Delcasse when he was  
Foreign Minister at the time of the  
Agadir incident.

Baron von Schoen, the German Am-  
bassador to France, has asked Myron T.  
Herrick, the American Ambassador, to  
take over the German Embassy and act  
on behalf of Germany in case of hostil-  
ities. Mr. Herrick forwarded the request  
to Washington and asked for instruc-  
tions. It is expected here that Presi-  
dent Wilson will give the necessary per-  
mission.

A slight ray of hope at literally the  
eleventh hour is seen here in the fact  
that Baron von Schoen has not left  
this city. It is reported in diplomatic  
circles that Russia has announced that  
she is ready to mobilize if the other  
European nations do likewise.

The situation along the Franco-Ger-  
man frontier is most critical and the  
French are accusing the Germans of  
trying to tempt them into making some  
overt act which would give Germany  
an excuse for hostilities. It is ex-  
pected here that the first fighting in  
the general war will be between these  
French and German troops on the bor-  
der.

The French people are in a state of  
calm resolution, not wanting war but  
accepting its prospect with the feeling  
that it is necessary to national ex-  
istence. The churches are filled with  
women praying, and many weddings are  
being performed before the bridegrooms  
leave to join the colors.

Wild enthusiasm prevailed on the  
boulevards after the order for to-mor-  
row's mobilization became known.  
Crowds fell into military formation and  
marched through the streets, waving  
the flag of the republic and singing the  
"Marseillaise." There was continuous  
cheering and throwing of hats into the  
air. Women and children gathered on  
the sidewalks weeping. Stores and cafes  
were deserted with the first news of  
the mobilization.

A procession headed by men bearing